

**Amendments to the Claims**

This listing of claims will replace all prior versions, and listings, of claims in the application:

1. (currently amended) A video encoder for encoding video signal data for at least one cross-fade picture disposed temporally between a fade-out start picture and a fade-in end picture, which are used as reference pictures for coding the at least one cross-fade picture, the encoder comprising:

a reference picture store for storing each of the fade-out start picture and the fade-in end picture;

a reference picture weighting applicator; and

a reference picture weighting factor unit in signal communication with the reference picture store and the reference picture weighting applicator for receiving the fade-out start picture and the fade-in end picture from the reference picture store, and selecting, based on one or more criterion, weighting factors corresponding to each of the fade-out start picture and the fade-in end picture, respectively, to supply to said reference picture weighting applicator for coding the at least one cross-fade picture; and

a motion compensation unit in signal communication with the reference picture store and the reference picture weighting applicator for receiving at least one of the fade-out start picture and the fade-in end picture from the reference picture store and providing at least one of a motion compensated fade-out start picture and a motion compensated fade-in end picture to the reference picture weighting applicator for coding the at least one cross-fade picture.

2. (cancelled)

3. (cancelled)

4. (currently amended) A video encoder as defined in Claim 2-Claim 1 wherein the reference picture weighting applicator applies a weighting factor selected by the reference picture weighting factor unit to at least one of the motion compensated fade-out start picture and the motion compensated fade-in end picture.

5. (original) A video encoder as defined in Claim 4 usable with bi-predictive picture predictors, the encoder further comprising prediction means for forming first and second predictors from the weighted and motion compensated fade-out start and fade-in end pictures, respectively.

6. (original) A video encoder as defined in Claim 5 wherein the weighted and motion compensated fade-out start and fade-in end pictures, respectively, are each from opposite directions relative to all of the at least one cross-fade pictures.

7. - 25. (cancelled)

26. (previously presented) A video encoder as defined in Claim 1, wherein said video encoder comprises a single video encoder that is used to code the at least one cross-fade picture.

27. (new) A video encoder as defined in Claim 1, wherein said reference picture weighting applicator comprises a shift register.

28. (new) A video encoder as defined in Claim 1, wherein said reference picture weighting applicator is configured in an in-loop configuration within the video encoder.